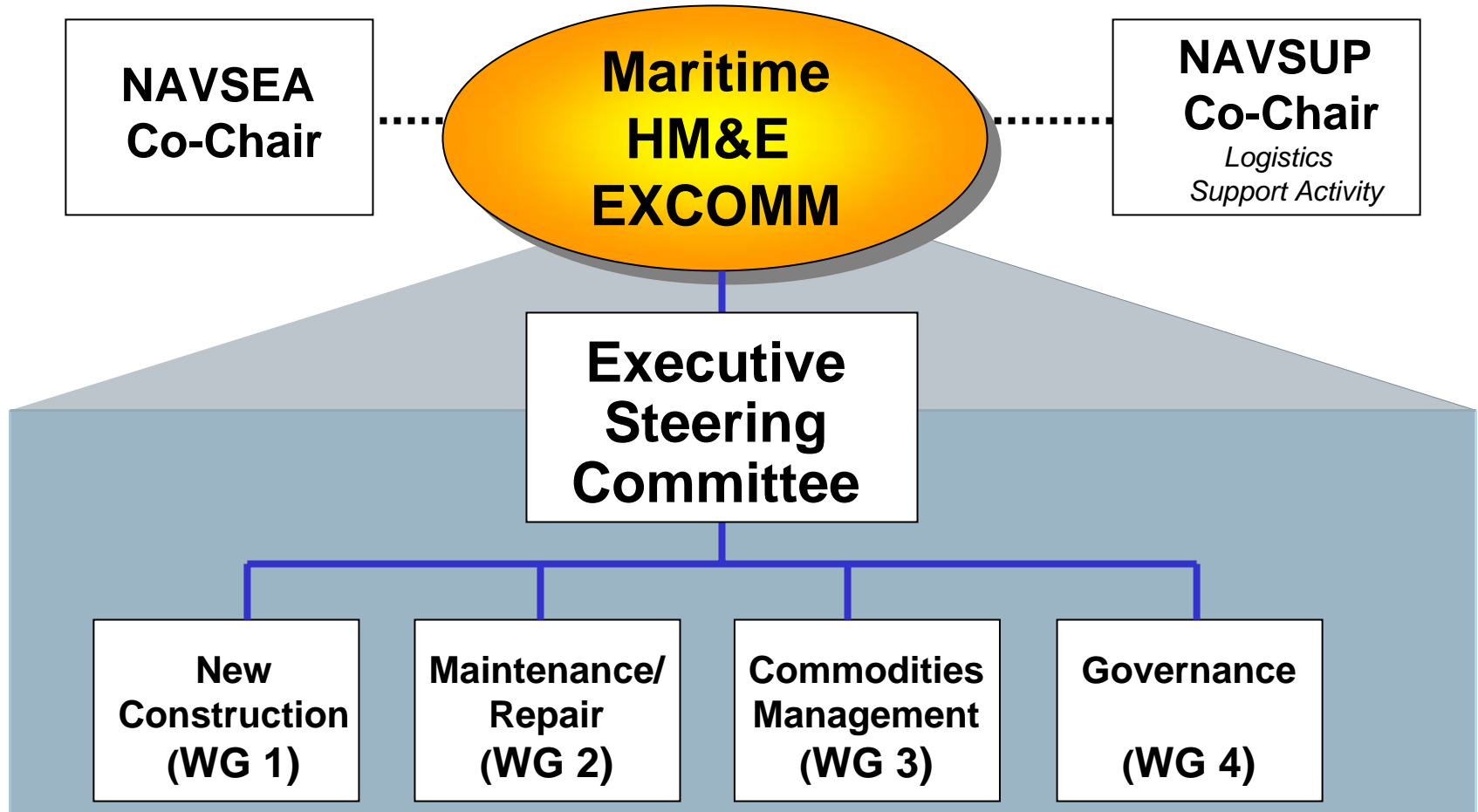




# **ESC HM&E Standardization Brief to the ExComm**

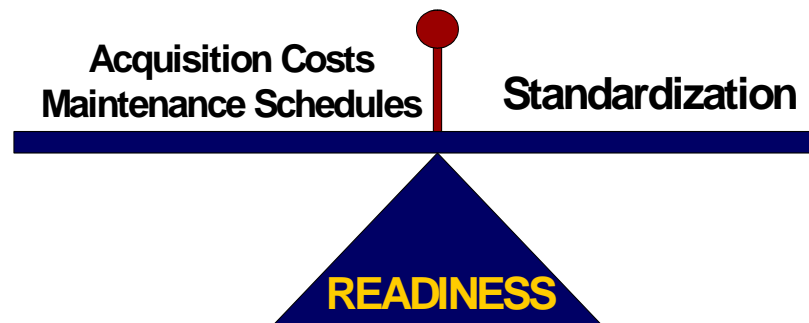
**24 July 2006**

# Structure



# ExComm Charter

- Signed Oct 2005 with following key objectives:
  - Identify standardization opportunities, craft procurement strategies and identify strategic procurement vehicles while supporting DoD and DoN standardization objectives.
  - Increase Fleet material availability and dramatically reduce introduction of non-std HM&E into the Fleet.
  - Reduce overall life cycle costs associated with introduction of non-standard HM&E.
  - Maintain or reduce procurement costs of HM&E for new construction, maintenance, modernization and repair.



*The right balance...at the right cost*



# 21 November 05 ExComm

## Key points

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- Senior Leadership is looking for HM&E Enterprise solution for Standardization.
  - Quantifying the issue is key to the HM&E standardization solution.
- Socialization and buy-in is critical to bring about HM&E standardization process changes.
- Imperative that we set more specific, realistic target goals (numbers/ percentages).
- Commodities management is foundation to HM&E standardization approach. The use of commodity contract vehicles will not be mandated. Consideration of commodity vehicle use will become part of the process discipline.
- Commercial alternatives need to be considered. In some cases, commercial items are less costly, and commercial logistics support can be more inclusive.
- Commodity contracting vehicles must address vendor base, competition and small business issues.



# Accomplishments

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- HM&E Standardization web site has been established.
  - [www.nslc.navsea.navy.mil/hme/index.nsf](http://www.nslc.navsea.navy.mil/hme/index.nsf)
- SEA 04 policy letter to shipyards
  - Report number of non-standard installs
  - Buy logistics with non-standard equipment
  - Review of material selection and procurement process
- Continue to brief Industry on HM&E standardization efforts
- Initial list of Commodity Candidates developed
- SWE Best Value Standardization Process Team formed
  - *HM&E "Best Value" approach and single integrated tool*

# Action Items



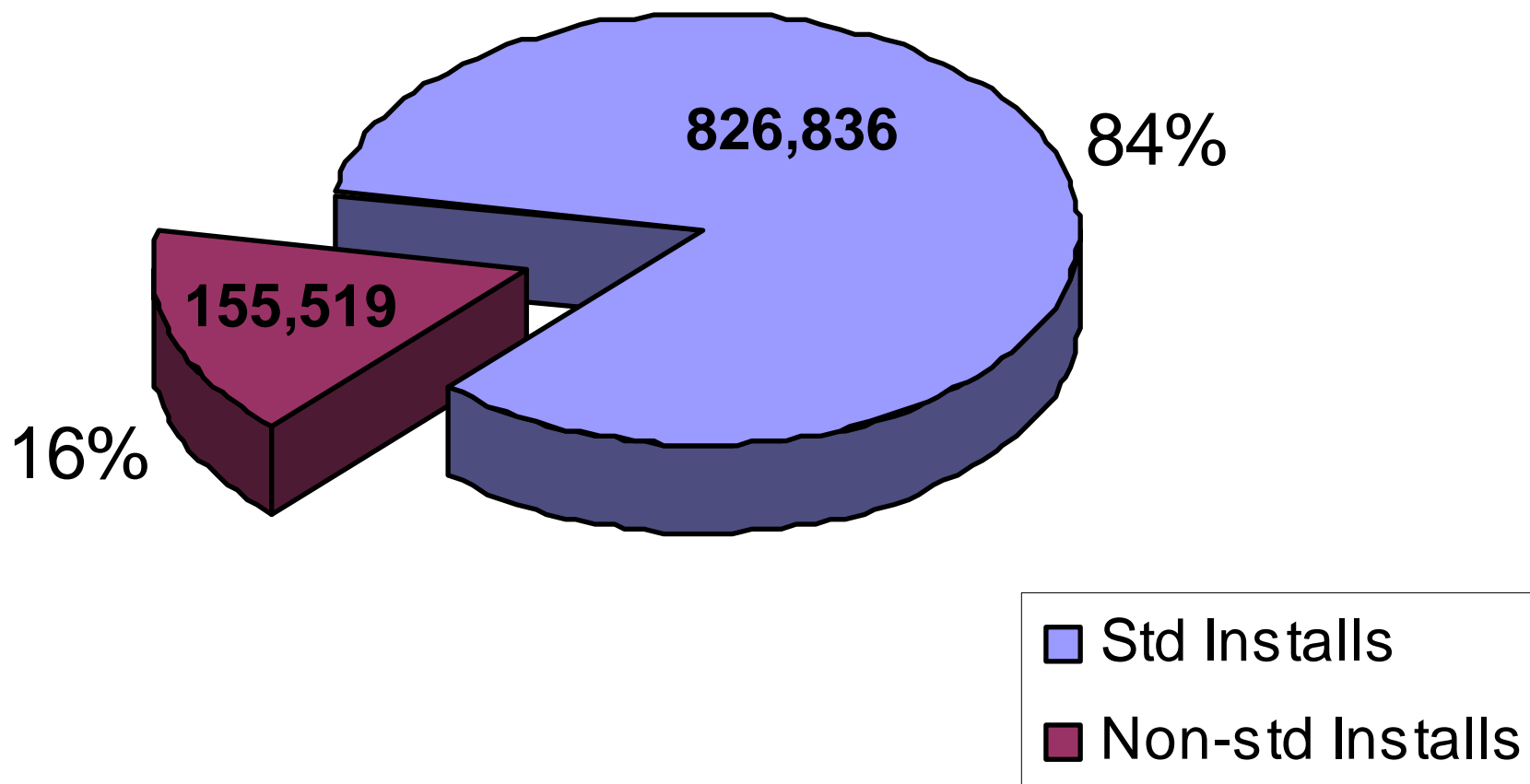
# Action Items



## **AI EX21NOV05-02:** Action Responsibility: SEA 04L

- **Action.** To filter the 360K HM&E install data by number of installs occurring during New Construction, Modernization and Maintenance/Repair. Additional action to filter the data by ship class/availability/location.

## New APL Introductions to Standard Equip Installs (Depth)

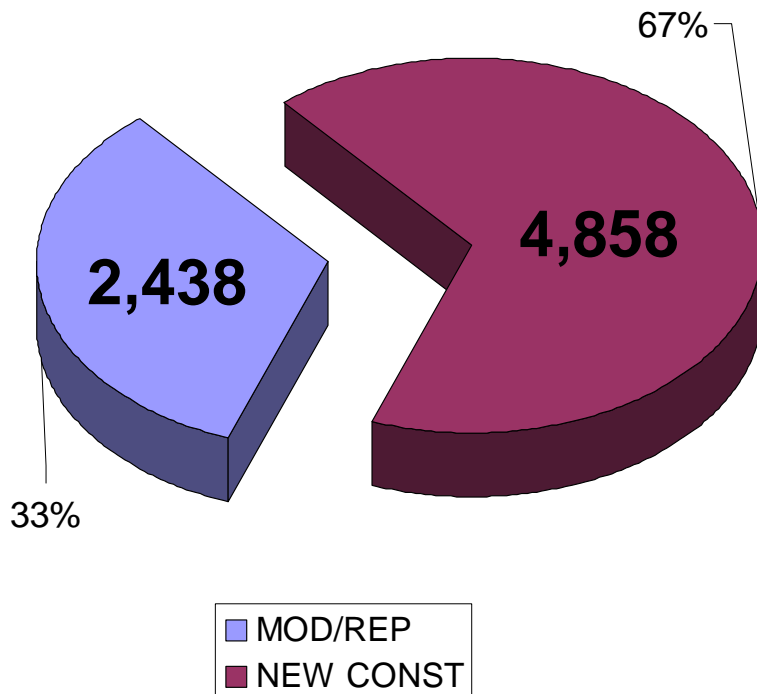


There were 982,355 HM&E equipment installs between FY02 and FY04.  
Of those installs, 155,519 were new equipment (i.e., non-std installs).

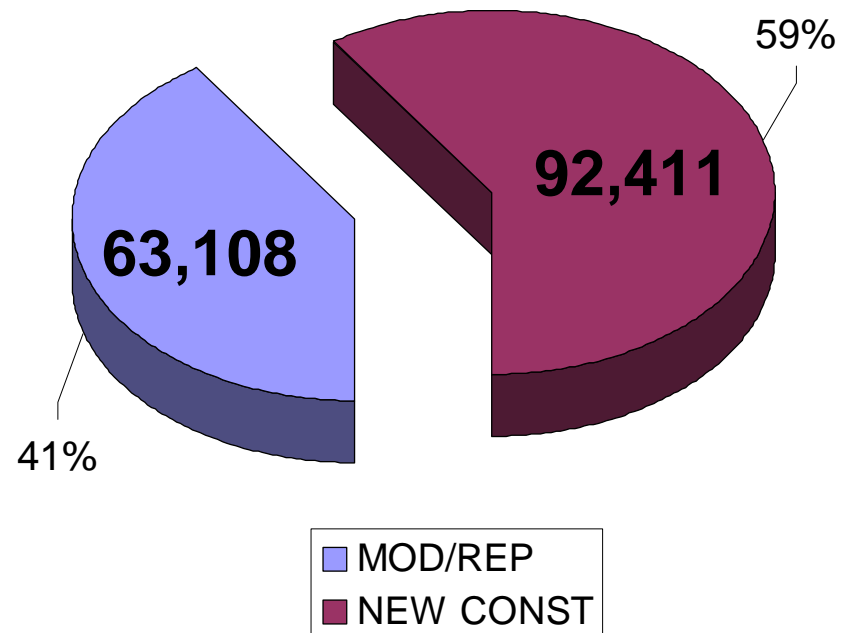


# New HM&E APL Installs FY 02-FY04

**APL Range  
(7,296 APLs)**

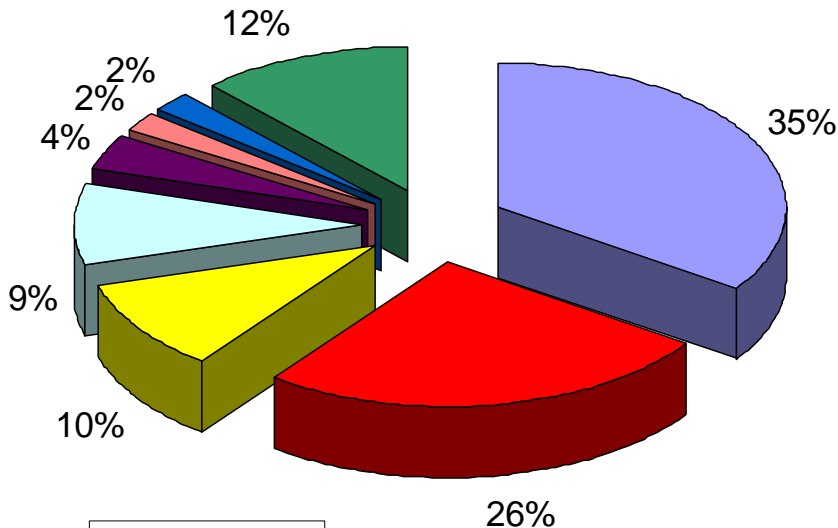


**APL Depth  
(155,519 Installs)**

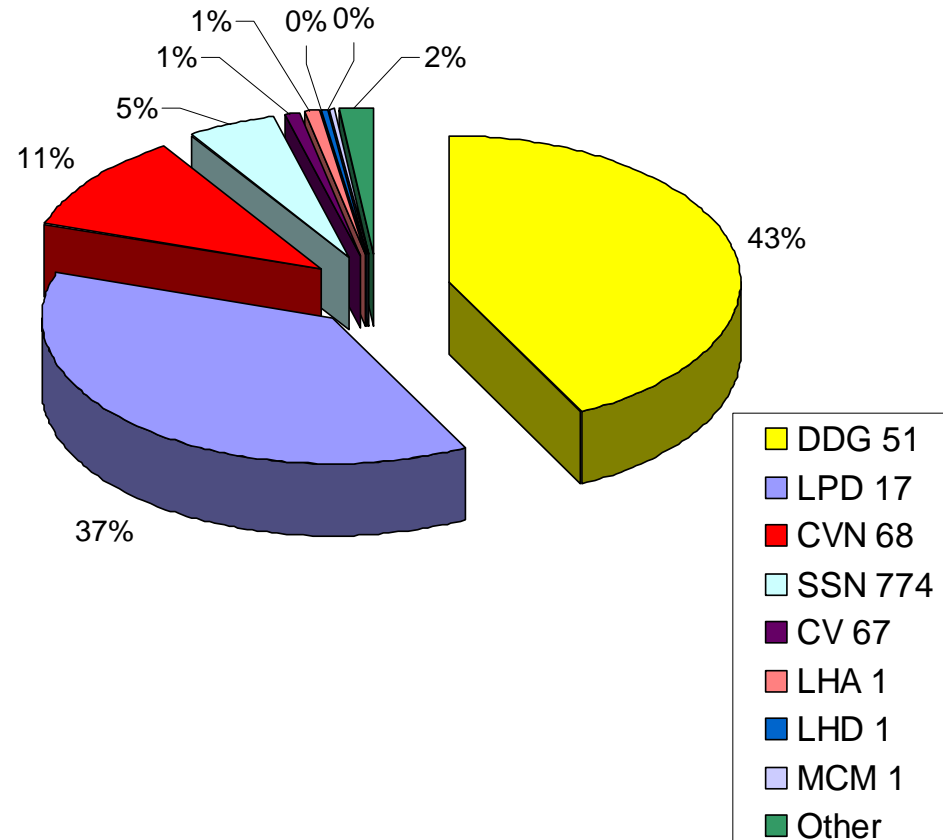


# New HM&E APLs by Ship Class

**APL Range  
(7,296 APLs)**

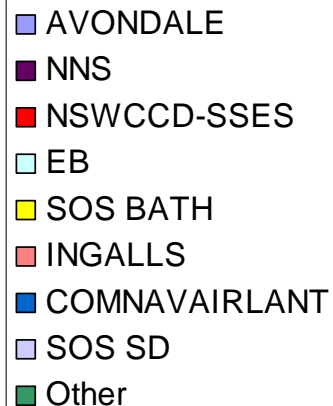
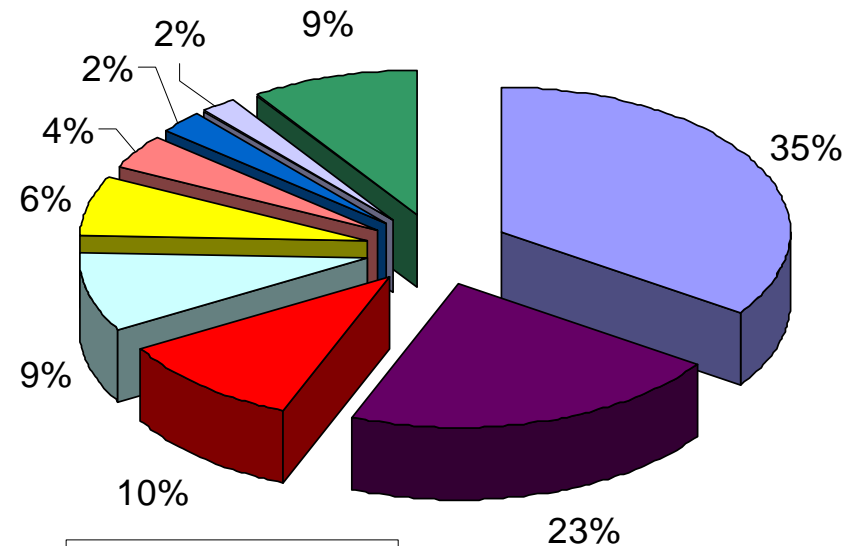


**APL Depth  
(155,519 Installs)**

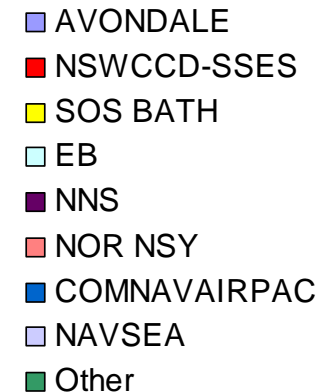
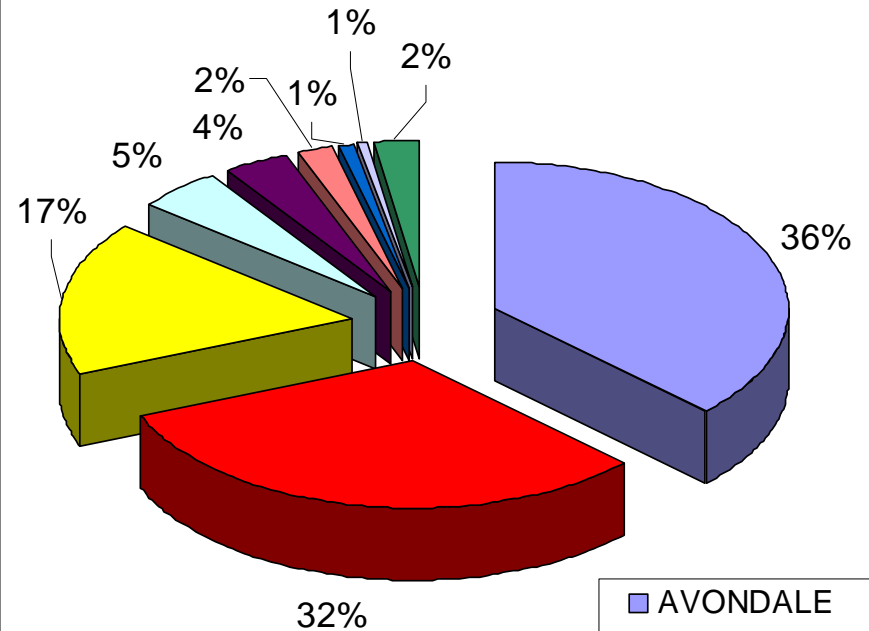


# New HM&E APLs by Submitter

**APL Range  
(7,296 APLs)**



**APL Depth  
(155,519 Installs)**





# Action Items (cont.)



## **AI EX21NOV05-03:** Action Responsibility: SEA 04L

- **Action.** A \$1.7B projected ILS cost for non-standard HM&E installs was presented. To get a more accurate picture of ILS costs, the costs of ILS support associated with existing/installed HM&E needs to be analyzed. Provide the ILS support cost data for existing/installed standard HM&E.



# Action Items (cont.)



**AI EX21NOV05-08:** Action Responsibility: ESC Co-chairs/WG 3/NAVSSSES Philadelphia/SEA 05Z

- **Action.** WG 3 to set up meeting with ESC Co-chairs, NAVSEA 05Z and NAVSSSES Philadelphia to discuss current methodology utilized in determining Commodity contract candidates.
- **Status.** 1/30/06-VTC Meeting held with ESC co-chair. WG 3 directed to look at Commodity candidate selection from more global perspective. Follow up meeting held with NSLC and NAVSSSES April 06, where initial candidates list of valves as commodity contract vehicle candidates was provided. Recommend closure pending WG 3 brief.